

This Document can be made available
in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **2972**

03/27/2012 Authored by Kahn

The bill was read for the first time and referred to the Committee on Government Operations and Elections

A bill for an act

relating to government reform; requiring certain meetings to be open to the public; adding requirements to lobbyists and principals related to model legislation; adding requirements to principals and public officials related to scholarship funds; establishing public campaign fund; increasing amount of political contribution refund; appropriating money; amending Minnesota Statutes 2010, sections 3.055, subdivision 1; 10A.01, subdivisions 21, 33, by adding subdivisions; 10A.04, subdivision 6; 10A.09, subdivision 5; 10A.30, subdivision 2; 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 10A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2010, section 3.055, subdivision 1, is amended to read:

Subdivision 1. **Meetings to be open.** (a) Meetings of the legislature shall be open to the public, including sessions of the senate, sessions of the house of representatives, joint sessions of the senate and the house of representatives, and meetings of a standing committee, committee division, subcommittee, conference committee, or legislative commission, but not including a caucus of the members of any of those bodies from the same house and political party nor a delegation of legislators representing a geographic area or political subdivision. For purposes of this section, a meeting occurs when a quorum is present and action is taken regarding a matter within the jurisdiction of the body.

(b) A meeting of a caucus of the members of the senate or house of representatives or a committee, subcommittee, or division of the senate or house of representatives from the same political party must be open to the public if the caucus consists of at least three members, but the meeting may be closed to discuss matters listed in section 13D.05, subdivision 2, paragraph (a), clause (1), or (b); or subdivision 3, paragraph (a). A caucus of the Hennepin County, Ramsey County, or St. Louis County delegation must be open to

the public. For purposes of this paragraph, a meeting occurs when a quorum is present and a matter within the jurisdiction of the body is discussed.

(c) In addition to the openness requirements imposed on conference committees by paragraph (a), from the time a conference committee is appointed until it is disbanded, any negotiations between senate and house of representatives members of the conference committee or senate and house of representatives staff members related to the conference committee or the bill referred to the conference committee must be open to the public.

(d) A meeting between the majority leader of the senate and the speaker of the house to set budget targets or negotiate the state budget must be open to the public.

(e) A meeting with the governor to set budget targets or negotiate the state budget must be open to the public if the meeting includes any of the following members of the legislature:

(1) the majority leader of the senate;

(2) the speaker of the house;

(3) the minority leader of either the senate or house of representatives; or

(4) the chair of a standing committee or division of the senate or house of representatives.

(f) Each house shall provide by rule for posting notices of meetings, recording proceedings, and making the recordings and votes available to the public.

(g) This subdivision does not apply to chance meetings, social gatherings, or other gatherings at which only presentations are made to members of the legislature or members of either body of the legislature or any legislative committee, subcommittee, or division if no vote or other action, including the formal or informal polling of members, is taken.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2010, section 10A.01, subdivision 21, is amended to read:

Subd. 21. **Lobbyist.** (a) "Lobbyist" means an individual:

(1) engaged for pay or other consideration of more than \$3,000 from all sources in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials; ~~or~~

(2) who spends more than \$250, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials; ~~or~~

3.1 (3) who attempts to influence legislative adoption of model legislation written or
3.2 distributed by a principal.

3.3 (b) "Lobbyist" does not include:

3.4 (1) a public official;

3.5 (2) an employee of the state, including an employee of any of the public higher
3.6 education systems;

3.7 (3) an elected local official;

3.8 (4) a nonelected local official or an employee of a political subdivision acting in
3.9 an official capacity, unless the nonelected official or employee of a political subdivision
3.10 spends more than 50 hours in any month attempting to influence legislative or
3.11 administrative action, or the official action of a metropolitan governmental unit other
3.12 than the political subdivision employing the official or employee, by communicating
3.13 or urging others to communicate with public or local officials, including time spent
3.14 monitoring legislative or administrative action, or the official action of a metropolitan
3.15 governmental unit, and related research, analysis, and compilation and dissemination of
3.16 information relating to legislative or administrative policy in this state, or to the policies of
3.17 metropolitan governmental units;

3.18 (5) a party or the party's representative appearing in a proceeding before a state
3.19 board, commission, or agency of the executive branch unless the board, commission,
3.20 or agency is taking administrative action;

3.21 (6) an individual while engaged in selling goods or services to be paid for by
3.22 public funds;

3.23 (7) a news medium or its employees or agents while engaged in the publishing or
3.24 broadcasting of news items, editorial comments, or paid advertisements which directly
3.25 or indirectly urge official action;

3.26 (8) a paid expert witness whose testimony is requested by the body before which the
3.27 witness is appearing, but only to the extent of preparing or delivering testimony; or

3.28 (9) a party or the party's representative appearing to present a claim to the legislature
3.29 and communicating to legislators only by the filing of a claim form and supporting
3.30 documents and by appearing at public hearings on the claim.

3.31 (c) An individual who volunteers personal time to work without pay or other
3.32 consideration on a lobbying campaign, and who does not spend more than the limit in
3.33 paragraph (a), clause (2), need not register as a lobbyist.

3.34 (d) An individual who provides administrative support to a lobbyist and whose salary
3.35 and administrative expenses attributable to lobbying activities are reported as lobbying

4.1 expenses by the lobbyist, but who does not communicate or urge others to communicate
4.2 with public or local officials, need not register as a lobbyist.

4.3 Sec. 3. Minnesota Statutes 2010, section 10A.01, is amended by adding a subdivision
4.4 to read:

4.5 Subd. 25a. **Model legislation.** "Model legislation" means legislation written or
4.6 distributed by a principal to public officials of more than one state.

4.7 Sec. 4. Minnesota Statutes 2010, section 10A.01, subdivision 33, is amended to read:

4.8 Subd. 33. **Principal.** "Principal" means an individual or association that:

4.9 (1) spends more than \$500 in the aggregate in any calendar year to engage a lobbyist,
4.10 compensate a lobbyist, or authorize the expenditure of money by a lobbyist; ~~or~~

4.11 (2) is not included in clause (1) and spends a total of at least \$50,000 in any calendar
4.12 year on efforts to influence legislative action, administrative action, or the official action
4.13 of metropolitan governmental units, as described in section 10A.04, subdivision 6; or

4.14 (3) drafts, promotes, or distributes model legislation to any public official of this
4.15 state with the purpose of influencing a public official to introduce the legislation or vote in
4.16 favor of the legislation. Principal does not include the commission to which appointments
4.17 are made under section 3.251 or an association whose membership consists exclusively of
4.18 the states, state legislatures, or constitutional officers of the states.

4.19 Sec. 5. Minnesota Statutes 2010, section 10A.01, is amended by adding a subdivision
4.20 to read:

4.21 Subd. 35a. **Scholarship funds.** "Scholarship funds" means money or other financial
4.22 support given by a principal to, or on behalf of, a public official to reimburse or pay for all
4.23 or part of the costs of attending a conference, meeting, or event where model legislation
4.24 will be presented, discussed, distributed, or made available.

4.25 Sec. 6. Minnesota Statutes 2010, section 10A.04, subdivision 6, is amended to read:

4.26 Subd. 6. **Principal reports.** (a) A principal must report to the board as required in
4.27 this subdivision by March 15 for the preceding calendar year.

4.28 (b) The principal must report the total amount, rounded to the nearest \$20,000,
4.29 spent by the principal during the preceding calendar year to influence legislative action,
4.30 administrative action, and the official action of metropolitan governmental units.

4.31 (c) The principal must report under this subdivision a total amount that includes:

4.32 (1) all direct payments by the principal to lobbyists in this state;

(2) all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units in this state; and

(3) all salaries and administrative expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units in this state.

(d) A principal that grants scholarship funds for a public official to attend a conference, meeting, or event must report:

(1) the names of all public officials that received scholarship funds for attendance at the conference, meeting, or event; and

(2) the names of any entity or individuals who contributed money towards scholarship funds. When possible, the report must identify the entities or individuals who contributed to each recipient's scholarship.

Sec. 7. Minnesota Statutes 2010, section 10A.09, subdivision 5, is amended to read:

Subd. 5. **Form.** A statement of economic interest required by this section must be on a form prescribed by the board. The individual filing must provide the following information:

(1) name, address, occupation, and principal place of business;

(2) the name of each associated business and the nature of that association;

(3) a listing of all real property within the state, excluding homestead property, in which the individual holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of \$50,000 or more;

(4) a listing of all real property within the state in which a partnership of which the individual is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of \$50,000 or more. A listing under clause (3) or (4) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located; ~~and~~

(5) a listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a racehorse, in which

the individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest; and

(6) a listing of all scholarship funds received, or paid on the individual's behalf, the amount of each scholarship, the granting entity, and the conference, meeting, or event for which the scholarship funds were granted.

Sec. 8. Minnesota Statutes 2010, section 10A.30, subdivision 2, is amended to read:

Subd. 2. **Separate account.** Within the state elections campaign fund account there must be maintained a separate political party account for the state committee and the candidates of each political party ~~and~~, a general account, and a public campaign account.

Sec. 9. **[10A.312] PUBLIC CAMPAIGN FUND.**

Subdivision 1. **Public campaign money.** (a) In each election year, a candidate who signs an agreement under section 10A.322 and who files an affidavit with the board stating that, between January 1 and the cutoff date for transactions included in the report of receipts and expenditures due before the primary election, the candidate has accumulated contributions from persons eligible to vote in this state in at least an amount equal to \$1,000, counting only the first \$10 received from each contributor, shall receive a \$10 match for each \$10 contribution. The maximum match amount shall be as follows:

(1) \$1,000, if the candidate is seeking the office of state representative;

(2) \$2,500, if the candidate is seeking the office of state senate, secretary of state, or state auditor;

(3) \$10,000, if the candidate is seeking the office of attorney general; and

(4) \$50,000, if the candidates are seeking the offices of governor and lieutenant governor together.

(b) A candidate who signs an agreement under section 10A.322 and who files an affidavit with the board stating that, between January 1 and the cutoff date for transactions included in the report of receipts and expenditures due before the primary election, has accumulated contributions from persons eligible to vote in this state in an amount equal to 25 percent of the applicable spending limit amount under section 10A.25, subdivision 2, for that candidate's campaign, counting only the first \$10 received from each contributor, shall receive a match equal to 25 percent of the applicable spending limit that applies to that candidate's campaign.

Subd. 2. **Affidavit.** (a) An affidavit under subdivision 1 must state the total amount of contributions that have been received from persons eligible to vote in this state, disregarding the portion of any contribution in excess of \$10.

(b) The candidate or the candidate's treasurer must submit the affidavit under subdivision 1 to the board in writing by the deadline for reporting receipts and expenditures before a primary under section 10A.20, subdivision 4, in order to receive the match.

Subd. 3. **Special election.** A candidate for a vacancy to be filled at a special election for which the filing period does not coincide with the filing period for the general election must submit the affidavit under subdivision 1 to the board within five days after the close of the filing period for the special election for which the candidate filed in order to receive the match.

Subd. 4. **Unused matching funds.** After all campaign expenditures and noncampaign disbursements for an election cycle have been made, the remaining amount of the public campaign match paid under this section must be returned to the state treasury for credit to the general fund under section 10A.324.

Subd. 5. **Appropriation.** An amount sufficient to pay the state match under this section is appropriated from the general fund to the public campaign account of the state elections campaign fund.

Sec. 10. Minnesota Statutes 2010, section 290.06, subdivision 23, is amended to read:

Subd. 23. **Refund of contributions to political parties and candidates.** (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to a political party. The maximum refund for an individual must not exceed ~~\$50~~ \$100 and for a married couple, filing jointly, must not exceed ~~\$100~~ \$200. A refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the chair or treasurer of the party unit, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the campaign finance and public disclosure board upon its request. A claim must be filed with the commissioner no sooner than January 1 of the calendar year in which the contribution was made and no later than April 15 of the calendar year following the calendar year in which the contribution was made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution was made must include interest at the rate specified in section 270C.405.

(b) No refund is allowed under this subdivision for a contribution to a candidate unless the candidate:

(1) has signed an agreement to limit campaign expenditures as provided in section 10A.322;

(2) is seeking an office for which voluntary spending limits are specified in section 10A.25; and

(3) has designated a principal campaign committee.

This subdivision does not limit the campaign expenditures of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major party" or "minor party" includes the aggregate of that party's organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a candidate for judicial office.

"Contribution" means a gift of money.

(d) The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The commissioner shall report to the campaign finance and public disclosure board by each August 1 a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

(g) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

(h) For a taxpayer who files a claim for refund via the Internet or other electronic means, the commissioner may accept the number on the official receipt as documentation that a contribution was made rather than the actual receipt as required by paragraph (a).

EFFECTIVE DATE. This section applies to contributions made after July 1, 2013.